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North Said to Pledge Reagan's Support

Contra Figure Cites Assurance: 'We Were Working for the President'

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The retired Air Force colonel who ran a private airlift to the Nicaraguan rebels during the cutoff of U.S. military support testified yesterday that Marine Lt. Col. Oliver L. North, then a White House aide, assured him that "we were working for the president of the United States."

"Bob, you're never going to get a medal for this, but someday the president will stroke your hand and thank you for it," retired colonel Robert C. Dutton quoted North as saying last September. About that time Dutton gave North a photograph album of the Central American operation and North com-

mented that he wanted to show it to his "top boss."

"Who did you understand Col. North to be referring to when he said he'd like to take the photograph album to his 'top boss'?" asked Ken Ballen, a staff counsel for the House and Senate committees whose hearings on the Iran-contra affair entered their fourth week yesterday.

"I understood he was talking about the president," Dutton replied.

Dutton testified under a grant of limited immunity from prosecution that he was in charge of the day-to-day operations of the secret private airlift under the command of North and retired Air Force major general Richard V. Secord.

The photo album, which was

found in North's office, is in the custody of independent counsel Lawrence E. Walsh. It was brought to the hearings yesterday by an FBI agent and identified by Dutton. Pages of the album showed traces of the black dusting material used to detect fingerprints.

After the hearing yesterday, the Senate committee's chief counsel, Arthur L. Liman, said there was no evidence of President Reagan's fingerprints on the book.

The airlift was set up in late 1985 when the contra, financed by secret Saudi donations, needed logistical assistance to begin fighting inside Nicaragua. During the next year, the North-directed airlift operation was financed by donations and funds diverted from the sale of U.S. arms to Iran.

On Oct. 5, one of the airlift's two

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■ Remaply figure says he learned North of possible scandal. Page A14

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DUTTON, From A1

C123 K cargo planes was shot down over Nicaragua, resulting in the death of the pilot and copilot, the capture of Eugene Hasenfus and the exposure of a U.S. role in the resupply effort.

Dutton said yesterday that at various times U.S. officials in the area had provided critical help, enabling the operation to reach a peak last September when 185,000 pounds of supplies were delivered in about 15 missions. Dutton singled out the CIA station chief in Costa Rica, referred to only as "Joe," without whom, he said, there was "no way" the operation could have succeeded.

"Joe," who is scheduled to testify today in closed session under the pseudonym Tomas Castillo, provided information to the airlift on the needs of individual contra "commandantes" in northern Nicaragua and worked out drop zones for daytime delivery of munitions and other equipment. This plan, Dutton said, was approved by North.

Dutton also linked another U.S. official, Army Col. James Steele, senior U.S. military adviser in El Salvador, to the operation. Dutton said Steele, after initially keeping his distance from the operation, became a "babysitter" for it and helped monitor its operations.

He identified an August 1985 message from Steele in which the colonel raised questions about a daytime mission and recommended that it be rescheduled as a night mission.

A second CIA official, identified by Dutton as "Vince," was called "not helpful sometimes" but "more helpful" in September when the airlift ran into a problem with a faction of the Nicaraguan resistance in Honduras.

Dutton also testified yesterday that:

■ He had participated in the last arms-for-hostages deal last October and that released hostage David P. Jacobsen said during a debriefing in the U.S. Embassy in Beirut that

"from his information he didn't believe that we would get the other two [hostages] until another [arms] shipment was made."

When Jacobsen returned to the United States a few days later, he denied knowing about any such deal and warned the news media to "please be responsible and back off" from inquiries regarding reported deals to free Americans held in Lebanon.

■ He alerted North to the fact that U.S. Customs Service and Federal Aviation Administration officials had begun an investigation of Southern Air Transport in Miami after papers found aboard the downed C123 K linked the company to the plane. North, he said, informed him that "he had spoken to [Attorney General Edwin] Meese and that it would be taken care of."

A spokesman for Meese said yesterday that the attorney general had no recollection of any such conversation with North in early October. An FAA spokesman said that no request to delay an inspection had ever been relayed to the agency.

■ Sixteen thousand dollars in cash apparently was delivered to North's office last August. Dutton said that a secretary for Secord's company, Stanford Technology Trading Group International, had picked up a package from Southern Air Transport and delivered it to North's secretary, Fawn Hall, at the Old Executive Office Building. The secretary "told me that she had signed a hand receipt for \$16,000," Dutton said.

Investigators brought out the fact that the secretary, Shirley Napier, testified in a deposition that Dutton had sent her to pick up the cash, to which Dutton responded that she was mistaken. A source close to Southern Air said the pickup itself was not unusual because the company regularly advanced cash to employees of the Secord enterprise for fuel and salaries of crew.

■ A coded message Dutton sent to North last fall included the jesting suggestion: "Send Fawn, can't continue on milk and cookies." Asked by Rep. Henry J. Hyde (R-Ill.) for the "meaning" behind the reference to

North's secretary, he responded, to laughter, "Sir, that's highly classified."

Hyde retorted, "I wouldn't want that disclosed in public . . . No one can say you exercise poor judgment all the time, colonel."

In a related Iran-centric development yesterday, former White House aide Jonathan Miller refused to testify before a federal grand jury, according to United Press International. Miller quit his job last week after he was identified as one of those who cashed traveler's checks from North's wife.

Investigators and members of the committee yesterday pursued questions raised earlier about whether Secord's enterprise, for which Dutton worked, was motivated by profit or patriotism.

Secord has testified that it was Dutton—and not himself—who had prepared "options" that included selling or leasing the airlift assets to the Central Intelligence Agency after Congress restored funding to the contra-support effort.

But yesterday, pressed by Sen. Warren D. Rudman (R-N.H.), Dutton insisted that the options were Secord's ideas.

Secord also testified that he had decided in 1985 to give up his profits on arms sales to the contra and re-enter government service. Dutton said yesterday that Secord had never continued that to him.

Dutton said that when he was hired by Secord in May 1986, ending more than 26 years in military service, he was given two assignments. The first was to reorganize the airlift in Central America. The second was to assist in the U.S.-Iran arms sales, for which Secord's operation served as the "commercial cutout," providing planes, crews, communications and anonymity for the U.S. government.

Dutton said he found it strange to be spending almost all of his time on a project—the Central American airlift—that was making no money. But Secord explained to him that there was a "long-term . . . strate-

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gic benefit" from being involved in the Iranian transactions."

"Business channels would be opened up because of the relations that were going to be made by Mr. [Albert A.] Hakim and by Mr. Secord inside of Iran . . . When the time came that we could do business there, the benefits for [the company] were going to be [the fact that] those contacts would already be made," Dutton said.

For this reason, Dutton said, Secord and Hakim, Secord's business partner, apparently were willing to assign Dutton to the contra operation until the Iranian opportunities materialized.

Dutton described a generally harmonious relationship with Secord,

who still employs him, and North, with whom he was in frequent contact in the final months of the private airlift.

However, it took months to overcome local red tape, politics, bad weather and problems with the legendary Felix Rodriguez, a former CIA agent.

Dutton said the Secord-North operators once found themselves locked out of their section of Ilopango air base in El Salvador—apparently in retaliation for the transfer of some U.S. military aid to a neighboring country. Drops were aborted because of bad weather or because the drop sites couldn't be located.

Rodriguez, according to Dutton,

was a "detriment" once he realized that Dutton, North and Secord would call the shots. A guerrilla-warfare specialist who had earned the respect of the Salvadoreans, Rodriguez had a close relationship with the commanding general as well as "connections" in Washington, to Vice President Bush's office.

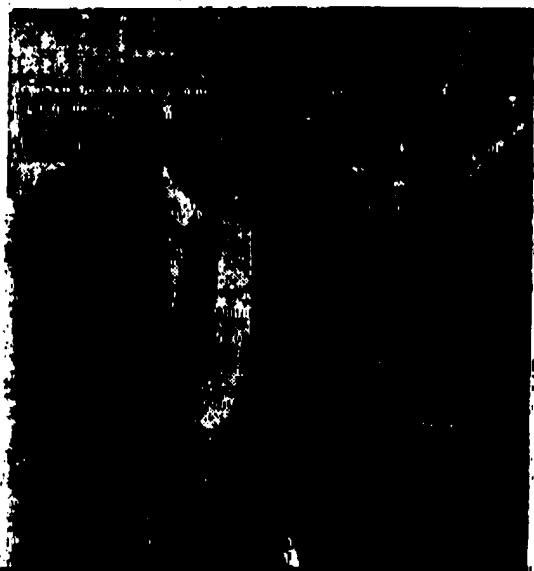
North finally arranged last June for Rodriguez to come to the White House and, with Dutton present, accused him of violating security, saying he had seen National Security Agency intercepts of Rodriguez's telephone calls.

In the end, however, North decided to keep Rodriguez for fear that "the Salvadoreans would throw us off the base," Dutton said.

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HIGHLIGHTS OF THE TESTIMONY



Robert C. Dutton, who ran private airlift to contras, checks hands for fingerprint-dusting machine after displaying photo album he gave to Lt. Col. North. Dutton testified that North said he wanted to show photos of effort to his "top boss."

These points were made during yesterday's Iran-contra hearing:

ON THE "TOP BOSS":

■ Robert C. Dutton, a retired Air Force colonel who helped supervise the air resupply operation set up for the contras, testified that then-White House aide Oliver L. North assured him that "we were working for the president of the United States." When Dutton gave North a photo album of the Central American operation, North commented that he wanted to show it to his "top boss."

ON WARNINGS OF SCANDAL:

■ Felix I. Rodriguez, a former CIA operative also known as Max Gomez, said he told North that the president could be "destroyed" by a scandal "worse than Watergate" if problems with the contra resupply effort became public. Rodriguez warned that former associates of convicted former CIA employee Edwin P. Wilson, who helped train and arm the forces of Libyan leader Moammar Gadhafi, were involved in the operation. With "the reputation that they had," Rod-

riguez said, "it would be a disaster if it was known by everybody."

ON THE CONTRA AIRLIFT:

■ Dutton said U.S. officials in Central America provided crucial assistance, allowing the aid effort to reach a peak last September, when 185,000 pounds of supplies were delivered in about 15 missions. Those helping were identified by Dutton as the CIA station chief in Costa Rica, known as Tomas Castillo; the senior U.S. military adviser in El Salvador, Army Col. James Steele, and a CIA official known as "Vince."

ON THE DOWNED CARGO PLANE:

■ Dutton said he alerted North that federal officials had started an investigation of Southern Air Transport in Miami after papers found aboard the downed C123 K linked the company to the plane. North, he said, told him that "he had spoken to Meese and that it would be taken care of." A spokesman for Attorney General Edwin Meese III said Meese had no recollection of any such conversation with North.

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